



## **Association of Idaho Cities**

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January 4, 2006

Jim Kempton, Chairman  
Forum on Transportation Investment  
P.O. Box 7129  
Boise, ID. 83707-1129

Dear Chairman Kempton:

Idaho city officials recognize the importance of adequately funding our local transportation system: two-thirds of Idahoans live in cities, and the economic strength of our state relies on the economic vitality of our cities, which in turn depends on our transportation infrastructure. In recent years, cities have felt the pressure of providing adequate funding as highway user revenues have not kept pace with Idaho's rapid population growth and the resulting demands on our streets and roads.

Since the late 1990's, revenues from the highway distribution account have been stagnant. Because these funds are allocated on a per capita basis, cities that are growing slowly or losing population are losing revenue to rapidly growing cities.

For example, annual distributions to the city of Salmon have fallen from \$149,953 in 2001 to \$115,792 in 2004 as the city did not add any population in these years. Likewise, the city of Kooskia (with no population growth) dropped from \$33,663 in 2001 to \$25,603 in 2004. For those cities losing population (of which there were 96 over the period 2000-2004), the effect is particularly severe: annual distributions to the city of Rupert have fallen from \$253,255 in 2001 to \$206,263 in 2004, with the population falling 5.6 percent over the same period.

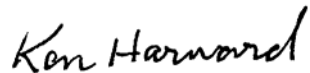
Certainly, one cannot underestimate the difficulties experienced by rapidly growing cities in funding infrastructure to serve new development, and the task has not been made any easier due to the lack of growth in the highway distribution account. But cities experiencing modest population growth or declining population must still maintain their existing infrastructure.

The cities stand with the counties and highway districts in supporting the "verbal agreement" that new revenue is shared equally between the state and local highway jurisdictions. This agreement recognizes the significant growth of the local transportation system: in 2003 there were 5,608 miles of road within cities, an increase of 1,848 miles since 1990. We hope this agreement will continue.

City officials also recognize the need to address funding of public transportation, as Idaho does not provide state funding or local option tax authority. Strengthening our public transportation system is key for avoiding traffic congestion and negative impacts to air quality as our state continues on a pace of rapid growth.

The Association of Idaho Cities supports examining alternatives for increasing revenues to fund the local transportation system. On behalf of Idaho's city officials, let me extend my appreciation to the members of the Forum on Transportation Investment for their hard work and thoughtful deliberation of these important issues.

Sincerely,

A handwritten signature in black ink that reads "Ken Harward". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Ken Harward  
Executive Director  
Association of Idaho Cities